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SUBJECT: AFGHANISTAN LAND TRANSPORT SECTOR PART 1: OVERVIEW OF ROAD AND RAIL INFRASTRUCTURE

REF: A) KABUL 705, B) KABUL 782, C) KABUL 784

 $\P1$ . (SBU) Summary and Introduction: Construction on regional and provincial roads is ongoing in Afghanistan with an estimated 5,000 km of roads constructed since 2001. The international community has provided a total of USD 2.4 billion in aid for road construction. The Ring Road is nearly complete, and all of the link roads to the borders are complete. Japan expects to finish a portion of the Ring Road in Kandahar and Helmand in May, and the Asian Development Bank has given its Chinese contractor until the beginning of 2010 to complete a 143 km stretch of the Ring Road in the Northeast. Two hundred kilometers of the Ring Road from Herat to Qal-e Naw remain unfunded. Provincial roads are poor and few are paved, especially in the central provinces. The rail sector is slowly developing, though rail construction is very costly. Iran has nearly completed a 60 km rail link to Herat, and the Iranians and Chinese are rumored to have agreed to develop a rail line linking the northeast provinces to Herat. The Afghan government views rail development favorably but is focused on developing a 12,000 km network of roads in order to make Afghanistan a true transit hub for central Asia. However, at the current construction cost of USD 1 million per kilometer, such a network would cost an additional USD 7 billion. This message is the first in a three-part series. Separate cables address the economic impact and security challenges in the road sector and future development of the road and rail sectors. Summary

12. (SBU) Construction of regional and provincial roads is ongoing throughout Afghanistan. Roads are of varying quality, but for the majority of Afghans, aside from the Ring Road, roads are unpaved. Afghan officials and business leaders note that the lack of paved roads and poor quality of existing roads contribute to highway security problems, increase transport times, and hamper commercial activity in general (septel). Numerous international donors have contributed to Afghanistan's road network, either through direct grants to the GIROA (Saudi Arabia, Asian Development Bank (ADB), World Bank, Japan, UAE, Iran), through PRTs (Germany, Italy, Spain), or through private sector construction contracts (Turkey, China, US, India). USAID alone has built 40 percent of all roads constructed in Afghanistan since 2001. In a March 17 meeting, Deputy Minister

of Public Works (MPW) Rasooli told Econoff that between 2001 and 2008, the international community has provided in total USD 2.4 billion to construct and rehabilitate 5,000 km of roads, including the Ring Road and the nine link roads from it to the international borders.

- 13. (SBU) The 2,100 km Ring Road (RR) is nearly complete. The portions remaining are a Japanese-funded 114 km stretch between Kandahar and Lashkar Gah, an ADB-funded, Chinese-constructed 143 km stretch linking Qal-e Naw to Maimana in the Northwest, and the still unfunded, 200 km stretch between Herat and Qal-e Naw. On March 25, the Japanese Economic Counselor told Econoff that the Japanese portion of the RR will be completed by May, if security problems do not further delay the project. In a February 28 meeting, an ADB official told Econoff that the Chinese contractor has completed only 20 percent of the Qal-e Naw-Maimana road in part due to security problems (reftel B). The nine link roads to Afghanistan's borders are finished. MPW estimates that construction of the RR has had tremendous effect on trade and travel times (septel). However, without the remaining 200 km stretch in the Northwest, the RR is unable to fully perform its intended role as the backbone of Afghanistan's transportation system and the principal ground conduit for national and international passenger and freight traffic.
- ¶4. (SBU) Deputy Minister Rasooli said that the Government of the Islamic Republic of Afghanistan's (GIROA) priorities under the Afghan National Development Strategy (ANDS) are to complete the Ring Road, develop provincial roads, and expand north-south and east-west links across Afghanistan to facilitate transit trade. Rasooli believes Afghanistan needs a network of 12,000 km of roads in order for Afghanistan to fulfill its potential as a transit hub for the region. However, Rasooli noted, the cost of road construction has

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increased dramatically. Since 2001, road construction costs have increased from USD 60,000 to USD 1 million per kilometer. Rasooli told Econoff that it will take 12-15 years for construction of such an extensive network and, if the cost of road construction remains at USD 1 million per kilometer, the GIROA will need an additional USD 7 billion to fund construction. (NOTE: Rasooli's estimate excludes the additional funding needed for maintenance. Currently MPW has a budget of USD 30-35 million for road construction. END NOTE)

15. (SBU) Anecdotal reports from U.S. PRT representatives note that provincial roads are a) a priority of the local population and their leaders and b) in generally dismal shape. Herat's governor has told PRT officials that asphalting provincial roads, particularly from Herat to Cheste Sherif to the Salma dam project, are a high priority for security, commerce, and development needs of Herat province. In central Afghanistan roads remain among the most basic infrastructure needs. PRT representatives report that road networks in Bamyan and Dai Kundi provinces are extremely poor and are the single most important bottleneck for economic development in the central highlands. Currently, there are no paved roads in Ghor and Dai Kundi provinces. Bamyan province has a total of only 3.7 km of paved roads. PRT Bamyan representatives report that the poor state of roads makes travel in either Bamyan or Dai Kundi provinces time consuming and punishing for both vehicles and passengers. Currently the 100-mile drive from Kabul to Bamyan takes about eight hours. The main routes to Kabul and Herat through the central provinces are single lane, dirt tracks that are in extreme states of disrepair. The Dai Kundi chief of police has told U.S. PRT representatives that even in the summer when roads are passable, it takes over 14 hours to drive from the provincial capital of Nili to some of the outlying districts located only 30 kilometers or so away.

- 16. (SBU) Afghanistan does not have an operating rail sector, though there is great interest in developing rail as an alternative to road travel, particularly for freight. Iran has reportedly nearly completed a 60 km rail link from the border crossing point of Islam Qala to Herat (ref A). Latest estimates from PRT Herat indicate that the Iranian government has invested USD 50 million in the project. The Afghan portion leading into Herat city has not begun. There is also a rumor that the Iranian and Chinese governments agreed at the Economic Cooperation Organization Summit in Tehran in early March to jointly fund a rail link from Sher Khan Bander in Kunduz province to Herat (ref C). In the meeting with Econoff, Deputy Minister Rasooli was cagey in addressing the current state of rail cooperation with Iran and future Iranian investment.
- 17. (SBU) In addition, as part of the Aynak copper mine development project, Chinese contractor China Star is scheduled to construct a 700 km railroad connecting the northeastern border with Tajikistan at Sher Khan Bander to Torkham at the Pakistan border in Nangarhar province (reftel C). Deputy Minister Rasooli told Econoff that the Chinese contractor is considering an alternate route for the Aynak railway, starting in Hairatan at the Uzbek-Afghan border rather than Sher Khan Bander. On March 18, the Chinese Economic Counselor told Econoff that China has no preference for building at Hairatan over Sher Khan Bander and that they await the results of a feasibility study. Rasooli estimates that it will cost USD 2 million per kilometer to build the 450-600 km railway to Torkham. Rasooli strongly supports the Aynak rail construction and believes that the Chinese will follow through with the terms of the contract. Rasooli told Econoff that he believes that rail construction is the future of overland transport because there is less maintenance for rail once it is built.
- 18. (SBU) COMMENT: With the help of numerous international partners, the GIROA is well on its way to establishing a road network that fully links Afghanistan to neighboring countries. The missing 200

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km stretch of the Ring Road in the Northwest is a concern; security problems in that area as well as a lack of agreement with donors have prevented MPW from moving ahead with construction plans. However, we anticipate that either the ADB or some other donor will eventually pick up the cost of this stretch.

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